

## TEXAS TRANSPORTATION COMMISSION

DALLAS AND DENTON Counties

### MINUTE ORDER

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DALLAS District

Transportation Code, Chapter 228 and other applicable law, including Government Code, Chapter 1371, authorizes the Texas Transportation Commission (commission) to issue toll revenue bonds, notes, and other obligations to finance toll projects or systems on the state highway system, and to enter into trust agreements governing matters relating to the issuance of such obligations.

In Minute Order 113350 dated November 15, 2012, the commission designated the I-35E Managed Lanes Project (Project), from I-635 to US 380 in Dallas and Denton counties, including all managed lane connections, as a toll project on the state highway system.

Pursuant to Minute Order 114424 dated November 19, 2015 and the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA), the commission entered into a TIFIA Loan Agreement, dated November 3, 2016, with the United States Department of Transportation, for a loan in the amount of \$285,000,000 to pay a portion of the eligible project costs of the Project (Loan Agreement), and executed a Trust Agreement dated November 1, 2016 securing the I-35E Managed Lanes Project Toll Revenue Obligations (Trust Agreement) and a First Supplemental Agreement dated November 1, 2016 securing the Loan Agreement and the Texas Transportation Commission Toll Revenue Converting Tier Note (I-35E Managed Lanes Project), Series 2016.

Pursuant to Section 505 of the Trust Agreement, the commission has covenanted that on or before the business day preceding the first day of each fiscal year, it will adopt an annual budget of revenues, operating and maintenance expenses, and capital expenditures for the Project and deliver copies of the budget to the trustee and the general engineering consultant.

The department has completed the annual budget which is attached as Exhibit A. In accordance with Section 505 of the Trust Agreement, the annual budget was provided to the general engineering consultant for review and comment prior to adoption by the commission.

IT IS THEREFORE ORDERED by the commission that the commission adopts the annual budget for the I-35E Managed Lanes Project for fiscal year 2021 attached hereto as Exhibit A.

IT IS FURTHER ORDERED that the executive director is hereby authorized to make necessary adjustments to spending levels in accordance with the Trust Agreement as may be necessary in the operation of the Project.

Submitted and reviewed by:

DocuSigned by:

*Benjamin H. Asher*

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Director, Project Finance, Debt and  
Strategic Contracts Division

Recommended by:

DocuSigned by:

*James M. Bass*

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Executive Director

115838 Aug 27 2020

Minute  
Number

Date  
Passed



# I-35E Managed Lanes System

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FY 2021 Annual Budget



**I-35E Managed Lanes System  
Annual Budget  
For the Fiscal Year Beginning September 1, 2020**

In 2013, the Texas Department of Transportation executed a development agreement with AGL Constructors to construct and reconstruct 30 miles of I-35E from US 380 in Denton County to I-635 in Dallas County. Included in the project is the construction of two reversible tolled managed lanes that extend approximately 19 miles from I-635 in Dallas County to Swisher Road in Denton County (“I-35E Managed Lanes System” or “System”). Tolling commenced on the managed lanes on May 20, 2017.

**Overview of the Requirements**

To finance a portion of the costs of the project, the Texas Transportation Commission (“Commission”) executed a Trust Agreement dated November 1, 2016 securing the I-35E Managed Lanes Project Toll Revenue Obligations (“Trust Agreement”), and a Transportation Infrastructure Finance and Innovation Act of 1998 loan (“TIFIA loan”). Pursuant to the Trust Agreement the Commission covenants that it will cause the following to occur related to budgets:

- The General Engineering Consultant will make an inspection of the I-35E Managed Lanes System and submit a report that includes their advice and recommendations as to the proper maintenance, repair, and operation of the System and an estimate of the amount of money necessary for such purposes.

*Due: On or before the 90th day prior to the end of each fiscal year.*

- The Commission will adopt the “Annual Budget” for the System consisting of a budget of revenues; operating, maintenance and major maintenance expenses, and capital expenditures; and payments into the Debt Service Funds, the Major Maintenance Fund and the Rate Stabilization Fund.

*Due: On or before the business day preceding the first day of each fiscal year.*

# I-35E Managed Lanes System FY 2021 Annual Budget

Amounts in Thousands

<b>Revenues</b>						
Toll Revenues						19,608
Investment Income						95
<b>Total Revenues</b>						<b>\$ 19,703</b>
<b>Operating &amp; Maintenance ("O&amp;M") Expenses <sup>1</sup></b>						
Operating Expenses						
Toll Operations <sup>2</sup>						2,860
Roadway Operations						822
General & Administrative Expenses						1,763
<b>Subtotal Operating Expenses</b>						<b>\$ 5,445</b>
Maintenance Expenses						
Toll System Maintenance						900
Roadway Maintenance						2,096
<b>Subtotal Maintenance Expenses</b>						<b>\$ 2,997</b>
<b>Total O&amp;M Expenses</b>						<b>\$ 8,442</b>
<b>TIFIA Debt Service</b>						<b>\$ -</b>
<b>Required Transfers to Debt Service Reserve Fund <sup>3</sup></b>						<b>\$ -</b>
<b>Major Maintenance &amp; Capital Expenditures <sup>4</sup></b>						
Major Maintenance Expenditures						2,941
Capital Expenditures						-
<b>Total Major Maintenance &amp; Capital Expenditures</b>						<b>\$ 2,941</b>
<b>Grand Total O&amp;M, Debt Service, and Capital Expenditures</b>						<b>\$ 11,382</b>
<b>Revenues Available after O&amp;M, Debt Service &amp; Capital Costs</b>						<b>\$ 8,321</b>
<b>Additional Funding Requirements</b>						
Retained in Revenue/O&M Fund <sup>5</sup>						1,407
Transfers to Major Maintenance Fund <sup>6</sup>						1,431
Transfers to Rate Stabilization Fund <sup>7</sup>						-
<b>Total</b>						<b>\$ 2,838</b>
<b>Five Year Capital Budget</b>						
	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>TOTAL</b>
Major Maintenance Expenditures	2,941	3,010	3,093	3,183	3,315	<b>\$ 15,542</b>
Capital Expenditures	-	-	-	-	-	-
<b>Total Capital Budget</b>	<b>2,941</b>	<b>3,010</b>	<b>3,093</b>	<b>3,183</b>	<b>3,315</b>	<b>\$ 15,542</b>

Totals may not sum due to rounding.

## Notes:

<sup>1</sup> Includes all reasonable and necessary expenses of operating, maintaining and repairing the I-35E Managed Lanes System including associated right-of-way.

<sup>2</sup> Reflects costs associated with a toll services agreement with the North Texas Tollway Authority.

<sup>3</sup> Represents amounts required to satisfy the TIFIA debt service reserve requirement.

<sup>4</sup> Includes current fiscal year projection of major maintenance and capital expenditures.

<sup>5</sup> Represents one-sixth of FY 2021 O&M expenses to be retained in Revenue/O&M Fund.

<sup>6</sup> Represents amounts required to satisfy the major maintenance reserve requirement.

<sup>7</sup> Funded over time from available revenues remaining after all funding requirements are met, up to \$25 million.